



Policy review of Regulatory Reserve calculation for Deposit Money Banks and discount houses

In line with the apex bank’s prudent assessment of the regulatory capital of Nigerian Banks and aims of raising the quality and loss absorbency of the capital base of banks, the CBN has excluded the following reserve in the computation of total qualifying capital:

- Regulatory risk reserve will be excluded from regulatory capital for the purpose of computing Capital Adequacy Ratio
- Tier-2 Capital will no longer include collective impairment on loans and receivables and other financial assets.
- Tier-2 capital will now include Other Comprehensive Income reserves but will be limited to 33.33% of total tier-1 capital.
- Unaudited other Comprehensive income gains will not be recognised as part of capital while unaudited other comprehensive losses will be deducted from the institution’s capital in arriving at total qualifying capital.

Interbank lending rates.....

Interbank lending rates eased by 0.36percent to an average of 12.81percent, compared with 13.17percent last week despite the Apex bank’s mop up of N195.58billion from the financial system. The Overnight and 30-day rate declined by 0.54% and 0.30% to 10.88% and 12.59% respectively, while the 60-day and the 90-day rates eased by 0.36% and 0.22% to 13.43% and 14.34% respectively.

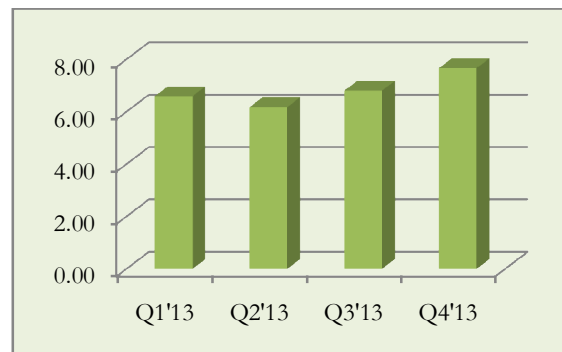
Exchange Rate.....

The Local currency weakened against the U.S dollar by 0.84% to close the week at N162.80/\$ from N161.45/\$ as at Friday August 1, 2014.

Inflation trend

Month	Rate (%)
December	8.0
January	8.0
February	7.7
March	7.8
April	7.9
May	8.0
June	8.2

GDP growth rate



Key Highlights

- MPR retained at 12%.
- CRR on Public Sector Deposits retained at 75%.
- CRR on Private Sector Deposits sustained at 15%.
- Liquidity ratio held constant at 30%.
- June Inflation rate up 20bps to 8.20%.
- Interbank lending rates rose to an average of 13.17% for the week.

FIXED INCOME REPORT

- **Local Currency**

Mixed trading at the money market space as Interbank open buy back (OBB) and over night (O/N) rates firmed up to open at the average of 11.63% and 11.67% respectively. However, rates dipped to close at 10.54% and 10.79% owing to the redemption of OMO bills which market liquidity.

- **Bonds/Treasury bills**

At the Treasury bills Primary Market Auction, ₦45.18billion worth of the 91day-bill was offered and sold at the discount stop rate of 10.0% as against 9.84%, however ₦50.0billion and ₦100.0billion worth of 182day and 364day bill were offered and sold at the discount rates of 10.2% and 10.319% as against 10.1% and 10.14% respectively. Total subscription stood at ₦256.82billion.

- **Outlook for the coming week**

In the week ahead, DMO is expected in its monthly FGN bond auction to reopen 3, 10 and 20 year instrument totalling ₦110billion. However, OMO redemption totalling ₦134.28billion is expected to improve market liquidity.

Auction Result

Auction Date	06/08/2014	06/08/2014	06/08/2014
Tenor	91	182	364
Auction	Primary Market	Primary Market	Primary Market
Maturity Date	06/11/2014	05/02/2015	06/08/2015
Total Subscription	48.92billion	39.23billion	168.67billion
Total Successful	45.18billion	30.0billion	120.0billion
Range Bid	8.0-11.25%	9.0-11.9519%	9.8-12.5189%
Successful Bid Rates	8.0-10.0%	9.0-10.2%	9.8-10.319%
Rate	10%	10.20%	10.32%
Amt offered	45.18	50	100

Closing Prices

Money Market	
Tenor	Rate (%)
OBB	10.54
O/N	10.79



FGN Bonds					
Description	Issue Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
9.25 28-SEP-2014	28-Sep-07	10.51	9.45	99.78	99.93
4.00 23-APR-2015	23-Apr-10	10.88	10.10	95.42	95.92
13.05 16-AUG-2016	16-Aug-13	11.15	11.07	103.35	103.50
15.10 27-APR-2017	27-Apr-12	11.13	11.07	109.05	109.20
9.85 27-JUL-2017	27-Jul-07	11.10	11.03	96.91	97.06
9.35 31-AUG-2017	31-Aug-07	11.10	10.98	95.53	95.83
10.70 30-MAY-2018	30-May-08	11.19	11.09	98.47	98.77
16.00 29-JUN-2019	29-Jun-12	11.38	11.30	116.95	117.25
7.00 23-OCT-2019	23-Oct-09	11.39	11.30	83.10	83.40
16.39 27-JAN-2022	27-Jan-12	12.04	11.98	121.05	121.35
14.20 14-MAR-2024	14-Mar-14	12.20	12.15	111.10	111.40
15.00 28-NOV-2028	28-Nov-08	12.14	12.10	119.17	119.47
12.49 22-MAY-2029	22-May-09	12.14	12.09	102.37	102.67
8.50 20-NOV-2029	20-Nov-09	12.13	12.08	74.97	75.27
10.00 23-JUL-2030	23-Jul-10	12.18	12.13	84.80	85.10
12.1493 18-JUL-2034	18-Jul-14	12.12	12.08	100.20	100.50

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)	Bid Yield (%)
21-Aug-14	10.25	10.00	10.29
28-Aug-14	10.35	10.10	10.41
4-Sep-14	10.15	9.90	10.23
11-Sep-14	10.40	10.15	10.50
18-Sep-14	10.50	10.25	10.63
25-Sep-14	10.55	10.30	10.70
2-Oct-14	10.65	10.40	10.82
9-Oct-14	10.40	10.15	10.59
16-Oct-14	10.65	10.40	10.87
23-Oct-14	10.60	10.35	10.84
30-Oct-14	10.40	10.15	10.65
6-Nov-14	10.20	9.95	10.46
13-Nov-14	10.70	10.45	11.01
20-Nov-14	10.20	9.95	10.51
27-Nov-14	10.75	10.50	11.11
4-Dec-14	10.05	9.80	10.39
11-Dec-14	10.75	10.50	11.16
8-Jan-15	10.15	9.90	10.60
22-Jan-15	10.25	10.00	10.75
5-Feb-15	10.35	10.10	10.91
19-Feb-15	10.15	9.90	10.73
5-Mar-15	10.35	10.10	11.00
9-Apr-15	10.25	10.00	11.00
23-Apr-15	10.15	9.90	10.93

The Equities Market

Oil&GAS sector drives index up 1.58%.....

The local bourse closed in the positive territory after two consecutive weeks of loses. Gains in the Oil and Gas sector pushed the index higher by 1.58% to close at 42,598.46 as against a loss of 0.83% seen the previous week. Similarly, market capitalization firmed up by N219.27billion to settle at N14.07trillion.

Access Bank buoys activity level.....

Market turnover for the week rose by 5.93% investors exchanged 1.43billion shares valued at N20.18billion in 26,289 deals compared to 1.35billion shares worth N17.42billion traded the previous week. The Financial services sector accounted for 74.99% of market turnover for the week, boosted by activity in the shares of Access Bank Plc.

Renewed optimism in Oil&GAS sector.....

For the sector performance for the week, the NSE-OIL&GAS was up 4.63% on gains from the shares of Conoil, Mobil, Seplat and Total Plc; the NSE-BANKING index improved by 3.28% on positive posture in the shares of Union Bank, FBN Holding and GTBank Plc while the NSE-CON.GOODS index and the NSE-IND.GOODS index appreciated by 1.36% and 0.39% respectively. Conversely, the NSE-INSURANCE index declined by 2.28% on profit taking in the shares of Continental Reinsurance and Wapic Insurance Plc

Market breadth turns positive.....

Market breadth closed positive for the week with 42 gainers and 34 decliners. CONOIL led gainers by 21.52%, COURTVILLE 11.76%, PHARMDEKO 10.00%, NNFM 9.77% and ROYALEX 9.62%. In contrast, NEIMETH was the worst hit shedding 10.74%, CONTINSURE 10.71%, PRESTIGE 7.41%, WAPIC 6.82% and INFINITY 5.00%.

Weekly Statistics

	08/08/2014	01/08/2014	Change
ASI	42,598.46	41,934.40	1.58%
CAP	₦14.07tn	₦13.85tn	₦219.27bn
VOLUME	1.43bn	1.35bn	5.93%
VALUE	₦20.18bn	₦19.58bn	3.06%
DEALS	26,289	17,075	53.96%

Top Gainers

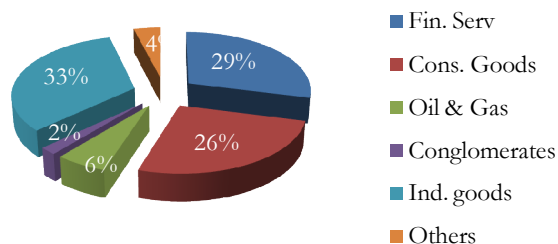
Symbol	Previous	Current	return
CONOIL	₦62.32	₦75.73	21.52%
COURTVILLE	₦0.51	₦0.57	11.76%
PHARMDEKO	₦1.80	₦1.98	10.00%
NNFM	₦19.75	₦21.68	9.77%
ROYALEX	₦0.52	₦0.57	9.62%
MOBIL	₦160.00	₦173.90	8.69%
ETI	₦16.87	₦18.33	8.65%
OKOMUOIL	₦33.22	₦35.98	8.31%
7UP	₦107.00	₦115.00	7.48%
CCNN	₦14.00	₦15.02	7.29%

Top Losers

Symbol	Previous	Current	return
NEIMETH	₦1.21	₦1.08	(10.74%)
CONTINSURE	₦1.12	₦1.00	(10.71%)
PRESTIGE	₦0.54	₦0.50	(7.41%)
WAPIC	₦0.88	₦0.82	(6.82%)
INFINITY	₦1.60	₦1.52	(5.00%)
RTBRISCOE	₦1.00	₦0.95	(5.00%)
CHAMPION	₦8.74	₦8.31	(4.92%)
CAVERTON	₦6.51	₦6.19	(4.92%)
EVANSMED	₦2.26	₦2.15	(4.87%)
AGLEVENT	₦1.47	₦1.40	(4.76%)

	08/08/2014	01/08/2014	Change
NSE-30	1,946.39	1,913.38	1.75%
NSE-Banking	441.52	427.51	3.28%
NSE-Insurance	144.40	147.77	(2.28%)
NSE-Consumer goods	1,070.19	1,055.79	1.36%
NSE-Oil&Gas	493.37	471.53	4.63%
NSE-Industrial goods	2,736.06	2,725.26	0.39%

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,368.27	16,493.37	-0.76%
FTSE	6,574.91	6,679.18	-1.56%
NIKKEI	14,778.37	15,523.11	-4.80%
S.AFRICA	50,615.51	50,917.78	-0.59%
BRAZIL	56,188.05	55,902.87	0.51%
INDIA	7,568.55	7,602.60	-0.45%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
ETI	₦18.33	8.65%	31,629	H1'14	14.90%	₦25.00	1.98	₦18.33
ASHAKACEM	₦34.00	3.03%	3,518	H1'14	204.19%	₦38.00	1.57	₦34.17
ACCESS	₦9.90	(0.80%)	11,626	Q1'14	25.02%	₦11.65	0.51	₦11.34
AFRIPRUD	₦3.21	1.58%	551	H1'14	14.19%	₦4.27	0.28	₦4.10
ZENITH	₦25.00	(0.24%)	47,445	H1'14	8.26%	₦30.98	1.51	₦27.40
UBCAP	₦2.16	3.84%	1,245	H1'14	23.55%	N/A	0.21	₦2.91
CUSTODYINS	₦3.94	(0.51%)	2,276	H1'14	100.08%	N/A	0.39	₦4.03
NAHCO	₦5.01	1.21%	381	H1'14	19.24%	N/A	0.26	₦6.80
HONYFLOUR	₦4.14	(0.96%)	3,351	FY'14	17.87%	N/A	0.42	₦4.50

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
FO	H1'14	79,606	59,960	32.77	3,134	1,391	125.19	
ROYALEX	FY'14	9,083	7,614	19.29	806	573	40.64	
AIRSERVICE	H1'14	1,628	1,756	-7.26	22	69	-67.28	
CUTIX	FY'14	2,234	1,929	15.83	207	151	36.78	
JAPAUOIL	H1'14	6,455	6,782	-4.82	345	420	-17.82	
UNIONDAC	Q2'14	517	420	23.26	41	20	104	
CORNERSTONE	Q2'14	3,233	3,112	3.91	586	152	285.76	
SOVEREIGN	H1'14	4,802	4,253	12.92	553	333	66.15	
DANGSUGAR	H1'14	49,601	55,034	-9.87	6,835	7,013	-2.54	
OKOMUOIL	H1'14	4,869	4,829	0.83	1,730	1,427	21.16	
TANTALIZERS	H1'14	1,569	1,771	-11.37	(316)	(286)	-10.48	
CAVERTON	H1'14	12,505	10,315	21.23	1,585	1,793	-11.55	
UPL	Q1'14	244	197	23.72	57	64	-10.55	

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